(1) Supreme Court, U.S. FILED (1)

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No.

In the

Supreme Court of the United States

ALAN JARDINE, an individual,

Petitioner,

v.

BROTHER RECORDS, INC., a California Corporation,

Respondent.

Petition for a Writ of Certiorari to the
United States Court of Appeals for the Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

Did the Ninth Circuit Court of Appeals error in affirming the district court's grant of a permanent injunction barring petitioner Alan Jardine, a founding member of the legendary rock and roll band, The Beach Boys, from "using the words 'Beach Boy' or 'Beach Boys' or any combination thereof, ... as part of the name, secondary name, introduction to the name, or modifier to the name, of Jardine's present or future musical groups, including but not limited to such names as-... "Beach Boy Al Jardine...", when Jardine properly asserted classic fair use and nominative fair use affirmative defenses.

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PETITION FOR WRIT OF CERTIORARI

Jardine respectfully requests that a *writ of certiorari* be issued to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Ninth Circuit is reported at 318 F.3d 900 (9th Cir. 2003) The district court's unpublished Final Judgment For Permanent Injunction and For Dismissal of Counterclaims was entered on November 5, 2001.

STATEMENT OF JURISDICTION

The opinion of the United States Court of Appeals for the Ninth Circuit ("Court of Appeals") was filed on January 28, 2003. Jardine's Petition for Rehearing before the Ninth Circuit was denied on March 20, 2003. (Appendix, 1a - 22a; 42a).

The jurisdiction of this Court in invoked under 28 U.S.C. § 1254 (1).

STATUTORY PROVISIONS INVOLVED

This case involves the applicability of the classic fair use and nominative fair use defenses to a trademark infringement claim pursuant to 15 U.S.C. § 1115 and § 1115(b)(4) of the Lanham Act.

STATEMENT OF THE CASE

A. District Court Proceedings.

This action arises from the unfortunate fragmentation of the world famous American rock and roll band, "The Beach Boys." Respondent BRI is the corporation used by the band's original members, Mike Love, petitioner Jardine, the Estate of Carl Wilson, and Brian Wilson, to hold "The Beach Boys" trademark. The band's members are equal twenty-five (25%) shareholders in BRI. In 1998, BRI granted a license to Love to tour as "The Beach Boys". Love refused to tour with Jardine. Thus, Love's touring band was not the original Beach Boys. Jardine thereafter began touring initially as "Beach Boys Family and Friends", and then as "Beach Boy Al Jardine and his Family and Friends." In 1999, BRI filed this action to prevent Jardine from touring using any name referencing the "Beach Boys." BRI argued that Jardine's conduct violated BRI's trademark "The Beach Boys", under the Lanham Act.

On November 5, 2001, the district court entered judgment against Jardine granting BRI's Federal Rules of Civil Procedure, Rule 56 summary judgment motion on BRI's complaint for trademark infringement, and Jardine's counterclaims for breach of contract and declaratory relief.

The district court ruled as a matter of law that Jardine infringed BRI's trademark for the name "The Beach Boys", by using the name, "Beach Boy Al Jardine's Family & Friends," or any similar name combinations, and that Jardine's fair use, estoppel and unclean hands defenses failed. The district court held specifically that a nominative fair use defense was not applicable under the

facts.[1] (Appendix, 34a) The district court accordingly granted BRI's request for a permanent injunction barring Jardine from "using the words 'Beach Boy' or 'Beach Boys' or any combinations thereof, ... as part of the name, secondary name, introduction to the name, or modifier to the name, of Jardine's present or future musical groups, including but not limited to such names as ... "Beach Boy Al Jardine...". (Appendix, 24a)

B. The Beach Boys Fragmentation As A Performing and Touring Band.

Original Beach Boy band member Carl Wilson died of cancer in February, 1998.

Love, also an original member, starting in the Fall of 1997, insisted that Love, and his wholly-owned business, M.E.L.E. Co., control who participated in public performances with The Beach Boys. As part of Love's quest for control of The Beach Boys, Love threatened that he would never again perform publicly with *The Beach Boys* in any tour promoted and produced by BRI.

In January 1998, Elliott Lott, President of BRI, wrote Love and advised that he could use the names *The Beach Boys* or *Beach Boys* in connection with promotion of a new band, provided that such use would not confuse the public into believing that they were the original, *The Beach Boys*, as opposed to Love's new band. Love had started a band that he called "America's Band," a

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[1]The district court also held that no triable fact issue existed as to Jardine's second counterclaim for breach of employment agreement because, as a matter of law, Jardine was not an employee of BRI. The district court concluded by dismissing Jardine's third counterclaim for breach of a 1998 license agreement granted to Jardine to tour as "The Beach Boys", on the ground that, assuming a license existed, Jardine could show no damages arising from a breach.

nickname that had always been used as a description or subtitle for *The Beach Boys* as in "*The Beach Boys*: *America's Band.*" With the approval of BRI, Love advertised his band as "including original *Beach Boys* as in "*The Beach Boys America's Band*" "including original *Beach Boys*, Mike Love, David Marks and Bruce Johnston."

At the same time, Love also toured with a band he called *California Beach Band*, which Love was quoted as describing as "a less expensive version of *The Beach Boys* ... [which has] the same backing band and plays the same songs [as *The Beach Boys*], but doesn't include other *Beach Boys* Al Jardine and Bruce Johnston and comes at a quarter of the cost of [*The Beach Boys*] to promoters."

In May 1998, Love demanded that BRI grant him the exclusive license to use the name *The Beach Boys* for public musical performances, and to have the sole control to decide who would perform at such public performances. A majority of the BRI directors agreed. Love further stated that if he controlled *The Beach Boys*, he would not allow Jardine to continue to render public performances with *The Beach Boys*, as Jardine had done for the preceding 37 years, and as was Jardine's contractual right under Jardine's *The Beach Boys* Employment Agreement. Jardine objected to BRI granting any exclusive license to allow Love to control *The Beach Boys* public performances.

Also, in June 1998, in response to Jardine's objection, Love proposed that BRI grant non-exclusive licenses to each BRI shareholder, to tour with three separate bands called "The Beach Boys."

At a July 14, 1998 BRI Board meeting, the Board approved the Love license by a vote of three in favor and one against (Jardine).

Jardine, in an attempt to mitigate prospective

damages that he expected to suffer - BRI's grant of a license to Love constituted a breach of Jardine's *Beach Boy* Employment Agreement - then voted in favor of the non-exclusive licenses. All parties further agreed at the July 14th board meeting, that each license would be in the identical terms that had been issued to Love, and would be issued to each of the two other surviving original *Beach Boys*, Jardine and Brian Wilson.

Without objection by BRI, Love immediately began to advertise, promote, and book live performance dates for his band, *The Beach Boys*. Love was very successful in these efforts, and earned over $9.1 million in gross revenues through December 1999. Through 2000, Love had grossed in excess of $18,000,000.

Jardine also formed a new band immediately after the July, 1998 Board meeting. Despite the agreement to issue the non-exclusive *The Beach Boys* license, to Jardine, BRI immediately interfered with Jardine's efforts to tour as *The Beach Boys*, pursuant to the non-exclusive license claiming that it had never issued a license to Jardine.

Thus, by the Winter of 1998, BRI wrongfully contended that no license had ever been issued to Jardine. And, in response to Jardine's attempts to thereafter tour on his own, not as "The Beach Boys", but as "Beach Boy Al Jardine and his Family and Friends", BRI instituted this action for trademark infringement against Jardine in the district court.

REASONS FOR GRANTING THE PETITION A WRIT OF CERTIORARI SHOULD ISSUE BECAUSE THE DISTRICT COURT AND NINTH CIRCUIT ERRED IN HOLDING THAT JARDINE'S TRUTHFUL REFERENCE TO HIMSELF AS "BEACH BOY AL JARDINE" VIOLATED BRI'S "THE BEACH BOYS" TRADEMARK

On November 5, 2001, the district court granted BRI's summary judgment motion on its trademark infringement claim and issued a permanent injunction that provides:

> *"IT IS HEREBY ORDERED that defendant Alan Jardine and his agents managers, publicists, servants, employees ... are hereby permanently enjoined and prohibited from:*
>
> *1. Using the words "Beach Boy" or "Beach Boys," or any combinations thereof, with or without additional verbiage, as part of the name, secondary name, introduction to the name, or modifier to the name, of Jardine's present and or future musical groups, including but not limited to such names as "Beach Boys Family & Friends"; "Beach Boy Al Jardine"; "Beach Boy Al Jardine and Family & Friends"; "Al Jardine, Beach Boy, and Family and Friends"; "Family & Friends, featuring Beach Boy Al Jardine"; "Al Jardine's Beach Boys Family & Friends"; "Beach Boy Al Jardine presents Family & Friends'"; or "Family & Friends' with Beach Boy Al Jardine" in connection with the rendering of live, public performances and/or future*

recorded performances, or in connection with the sale of merchandise, without the written consent of Brother Records, Inc.". . . Jardine and the other enjoined entities are not prohibited from:

4. Publicly referencing Jardine's former longtime membership in "The Beach Boys" band in a descriptive fashion, so long as the reference does not suggest affiliation with the current "Beach Boys" touring band or Brother Records, Inc. and so long as the reference complies with Paragraphs 1 and 2, above." (Appendix, 23a - 24a.)

As explained below, BRI's trademark infringement claim against Jardine is barred by the doctrines of classic fair use and nominative use. Thus, the Court of Appeal's decision must be reversed and the district court's permanent injunction must be vacated.

A. Classic Fair Use.

The Court of Appeals erred in rejecting Jardine's classic fair use defense to BRI's trademark infringement claim. *See*, *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 907 (9th Cir. 2003).

"The 'fair use' defense, in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods." *Playboy Enterprises, Inc. v. Welles*, 7 F.Supp.2d 1098, 1103 (S.D. Cal. 1998) (Citations omitted); 15 U.S.C. §1115(b)(4) (West 2003).

The Ninth Circuit Court of Appeals' decision in *Kassbaum v. Steppenwolf Productions, Inc.*, 236 F.3d 487 (9th Cir. 2000), expressly permits Jardine to accurately reference his long professional association with "The

Beach Boys,"as classic fair use. The Court of Appeals stated: "We hold that [plaintiff] is not barred by contract or by the Lanham Act from truthfully referring to himself, in promotional materials or otherwise, as a former member of Steppenwolf." Id. at 488. [Emphasis added.] The Court of Appeal's conclusion in this case is contrary to its analysis in *Steppenwolf.*

In *Steppenwolf, supra*, the Court of Appeals permitted the plaintiff, a former member of the Steppenwolf rock and roll band, to refer to himself "in promotional materials or otherwise as a touring member of Steppenwolf." Id at 488. [Emphasis added.] The Court concluded that the plaintiff's truthful references to himself as "formerly of Steppenwolf", an "original member of Steppenwolf," and an "original founding member of Steppenwolf", as a matter of law, "do not cause a likelihood of confusion." *Id.* at 492-493. Thus, the plaintiff did not violate the Lanham Act by making such truthful references in promotional materials. The Court's analysis is based upon the fair use defense and "the limits of trademark protection." *Id.* at 494.

As to "fair use", the *Steppenwolf* Court relied upon *Playboy Enterprises, Inc. v. Welles*, 7 F.Supp.2d 1098 (S.D. Cal. 1998). In *Welles*, the district court concluded that the fair use defense defeated a plaintiff's attempt to obtain a preliminary junction under the Lanham Act; the defendant "has used the trademark term *Playmate of the Year* to identify and describe herself ...[plaintiff] earned the title of *'Playboy Playmate of the Year'* in 1981 and has used that title ever since, without objection. *Id.* at 1104.

The *Welles* court was clear that the plaintiff has the burden of proof to "overcome" the defendant's fair use defense. *Id.* at 1103.

Thus, the Court of Appeals in *Steppenwolf*, relying upon *Welles*, held that the plaintiff Kassbaum could

accurately describe himself as a "former member of Steppenwolf", under the fair use defense. *See also, Kingsmen v. K-Tel International Ltd.*, 557 F.Supp. 178 (S.D.N.Y. 1983), cited in *Steppenwolf* at 493.

Similarly, the Court of Appeals in *Steppenwolf*, referenced with approval the United States Supreme Court's comment in *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924):

> *"When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo.'" Id. at 494. [Emphasis added.]*

Thus, *Steppenwolf* permits Jardine to refer to himself as a "Beach Boy", and to truthfully reference his Beach Boy affiliation in his new band, so long as the reference "does not deceive the public." *See also, Volkswagenwerk AktiengesellSchaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969). Jardine does not intend to tour under the name "Beach Boys Family & Friends." However, Jardine does intend to continue touring using the names "Beach Boy Al Jardine's Family & Friends", and "Al Jardine of The Beach Boys and Family & Friends." These band names, as a matter of law, do not deceive or confuse the public with "The Beach Boys." The district court's judgment as affirmed by the Court of Appeals, improperly bars Jardine from making such truthful descriptive references.

The evidence before the district court was undisputed that unlike Kassbaum, a "former" Steppenwolf member, Jardine remains a 25% shareholder and director of BRI. Jardine is not a "former" Beach Boy. He is a Beach Boy. And, like the plaintiff in *Playboy Enterprises, Inc. v. Welles, supra*, Jardine has continuously referenced his identity as a "Beach Boy" for over 37 years, without objection from BRI or anyone else. Thus, BRI cannot

prevent Jardine from referring to himself and his band as "Beach Boy Al Jardine's Family and Friends" or "Al Jardine of the Beach Boys and Family and Friends." Jardine's reference is truthful, and not an attempt "to trick consumers." *See*, *Playboy Enterprises, Inc. v. Welles*, *supra* at 1103. And, the fair use defense obviates an examination of the "likelihood of confusion test" under the Lanham Act. *See*, *Steppenwolf*, *supra* at 494. *See also*, *Playboy v. Welles*, 7 F.Supp.2d 1098, 1104 (S.D. Cal. 1998); cf.; *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-349 (9th Cir. 1999). (Establishing an eight factor test "intending to guide the court in assessing the basis question of likelihood of confusion.")

Parenthetically, both the district court and Court of Appeals explained their rulings by predominantly focusing on the likelihood of confusion test under the Lanham Act. *See*, *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-349 (9th Cir. 1979) In the district court, BRI submitted multiple and voluminous declarations purporting to establish confusion arising from Jardine's truthful reference to himself as "Beach Boy Al Jardine." However, as explained, Jardine's fair use defense nullifies BRI's "confusion" argument. *See*, *Playboy Enterprises, Inc. v. Welles*, 7 F.Supp.2d 1098, 1104 (S.D. Cal. 1998) (Application of the "fair use" defense makes it unnecessary to determine the likelihood of confusion under the Lanham Act.) *See also*, *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002). (Three factor nominative use test displaces Sleekcraft likelihood of confusion test.) The rejection of Jardine's classic fair use defense was accordingly error.

B. Nominative Fair Use.

As to the application of the doctrine of nominative fair use to bar BRI's trademark infringement claim against Jardine, the district court ruled that nominative fair use

was not applicable. (Appendix, 34a.) The Court of Appeals ruled, however, that Jardine's use of the name "Beach Boy Al Jardine" satisfied two of the three requirements for application of nominative fair use. *Brother Records, Inc. v. Jardine*, 318 F.3d 900, 908 (9th Cir. 2003). However, the Court of Appeals concluded that Jardine's "use of the trademark suggested sponsorship or endorsement by the trademark holder", BRI. The third requirement for nominative fair use is that the mark's use not suggest sponsorship or endorsement. *Id*. Thus, Jardine could not assert a nominative fair use defense.

The Court of Appeals' conclusion was erroneous for two reasons.

First, BRI presented no evidence before the district court that Jardine's use of the identification "Beach Boy Al Jardine" suggested sponsorship or endorsement by BRI. As a matter of law, the truthful identification of Jardine as "Beach Boy Al Jardine" does not, standing alone, suggest sponsorship or endorsement by BRI.

Second, in affirming the district court's Final Judgment, the Court of Appeals ignored its analysis in *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002), permitting the application of the nominative fair use defense under similar facts.

In *Welles*, *supra*, the Court of Appeals affirmed in part the district court's grant of summary judgment for defendant against plaintiff's trademark infringement claim. (The district court had previously denied plaintiff's preliminary injunction motion in *Playboy Enterprises, Inc. v. Welles*, 7 Supp.2d 1099 (S.D. Ca..1998). In *Welles*, plaintiff, Playboy Enterprises, sued defendant for trademark infringement arising from defendant's use of the terms "Playboy" and "Playmate" in metatags on defendant's website; and using the phrase "Playmate of the Year 1981", on the website's masthead. *Id* at 800.

The Court of Appeals concluded that defendant's

uses of plaintiff's trademarks were permissible, nominative uses. "They imply no current sponsorship or endorsement by [plaintiff]. Instead, they serve to identify [plaintiff] as a past . . . "Playmate of the Year." Id. The test for nominative use explained in Welles (and restated by The Court of Appeals in this case)is:

> *"First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third; the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder." Id. at 801. "A nominative use may be a commercial one." Id. at 801; See, New Kids on the Block v. New American Publish., Inc., 971 F.2d 302, 309 (9th Cir. 1992). (Describing a nominative use as one that "does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.)*

The Welles court further noted, as explained above, that when the three factor nominative use test is used, the eight factor likelihood confusion test set forth in AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979) is inapplicable. The court explained:

> *"In cases in which the defendant raises a nominative use defense, the above three factor test should be applied instead of the test for likelihood of confusion set forth in Sleekcraft. The three factor test better evaluates the likelihood of confusion*

> *in nominative use cases. When a defendant uses a trademark nominally, the trademark will be identical to the plaintiff's mark, at least in terms of the words in question. Thus, application of the Sleekcraft test, which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing. The three-factor test - with its requirements that the defendant use marks only when no descriptive substitute exists, use no more of the mark than necessary,and do nothing to suggest sponsorship or endorsement by the mark holder - better addresses concerns regarding the likelihood of confusion in nominative use cases." Id. at 801.*

As to the first nominative use factor, "the product or service in question must be one readily identifiable without use of the trademark," the court ruled:

> *'This situation arises 'when a trademark also describes a person, a place or an attribute of a product' and there is no descriptive substitute for the trademark. In such a circumstance, allowing the trademark holder exclusive rights would allow the language to be depleted in much the same way as if generic words were protectable ... Moreover, such a use of the trademark would 'not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.' Thus, we concluded, such uses must be excepted from the trademark infringement law." Id.*

at 802.

As in *Welles*, there is no descriptive substitute for BRI's trademark in the context of Jardine's truthful description of his musical identity. " ... Welles can only identify herself clearly by using [plaintiff's] trademark title." Id. at 802. Similarly, Jardine can only identify himself professionally and "clearly" as a "Beach Boy" or "Beach Boy Al Jardine."

The second nominative use factor requires that "'only so much of the mark or marks may be used as is reasonably necessary to identify the product or service'." *Id.* at 802. (Citations omitted.) Thus, as the *Welles* court noted, "'a soft drink competitor would be entitled to compare its product to Coca Cola or Coke, but would not be entitled to use Coca Cola's distinctive lettering'".*Id.* (Citations omitted.) Here, Jardine's descriptive use will use only the trademark words, not the font or symbols associated with the trademark. *Id.*

The Court of Appeals agreed with Jardine that he satisfied the first two nominative use requirements. *See*, *Brother Records, Inc. v. Jardine*, *supra* at 908.

However, the Court held that Jardine failed to satisfy the third nominative use requirement that the user do "'nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.'" *Id.* at 908.

Here, utterly no evidence was presented before the district court that Jardine did anything to suggest sponsorship or endorsement by the Beach Boys in using the phrase "Beach Boy Al Jardine." Jardine's use of the mark is solely descriptive. Moreover, his additional use of the descriptive phrase, "Family and Friends", as a band title, makes clear that it is solely Jardine, and his "Family and Friends" performing, not "The Beach Boys." The Court of Appeals nonetheless erroneously concluded in ignoring its own legal precedent, that "[b]ecause Jardine's

use of the trademark suggested sponsorship or endorsement by the trademark holder, Jardine's nominative use argument fails". *Id.* at 908.

The Court of Appeals' analysis of the third nominative use requirement is simply wrong. Jardine's use of the phrase "Beach Boy Al Jardine" clearly meets all three requirements of his nominative fair use defense, and defeats BRI's trademark infringement claim.

CONCLUSION

For the reasons set forth herein, Jardine's petition for writ of certiorari, should be granted; the Court of Appeals' decision reversed; and the district court's permanent injunction vacated.

Dated: June 18, 2003

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(Any footnotes trail the end of each document.)

No. 01-57095

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BROTHER RECORDS, INC., a California Corporation,
Plaintiff-counter-defendant-Appellee,

v.

ALAN JARDINE, an individual,
Defendant-counter-claimant-Appellant.

November 6, 2002, Argued and Submitted, Pasadena, California

January 28, 2003, Filed

PRIOR HISTORY: Appeal from the United States District Court for the Central District of California. D.C. No. CV 99-03829 HLH. Harry L. Hupp, District Judge, Presiding.

DISPOSITION: AFFIRMED.

COUNSEL: Jeffrey S. Benice, Irvine, California, for the defendant-counter-claimant-appellant.

Phillip H. Stillman, Del Mar, California, for the plaintiff-counter-defendant-appellee.

JUDGES: Before: Harry Pregerson, John T. Noonan, and A. Wallace Tashima, Circuit Judges. Opinion by Judge Tashima.

OPINIONBY: A. Wallace Tashima

OPINION: TASHIMA, Circuit Judge:

Alan Jardine appeals the district court's grant of summary judgment in favor of Brother Records, Inc. ("BRI"), on BRI's Lanham Act, 15 U.S.C. §§ 1051-1129, trademark infringement action alleging that Jardine infringed BRI's "The Beach Boys" trademark. Jardine also appeals the district court's grant of summary judgment in favor of BRI on Jardine's counterclaims that BRI breached a lifetime employment agreement and license agreement. Finally, Jardine appeals the district court's denial of his motion to amend his counterclaim to add third-party claims and an additional counterclaim. We have jurisdiction under 28 U.S.C. § 1291, and we [*2] affirm.

BACKGROUND

In 1961, Al Jardine, Mike Love, Brian Wilson, Carl Wilson, and Dennis Wilson formed The Beach Boys. The band shortly thereafter achieved huge commercial success, producing numerous hit songs and touring to huge audiences throughout the country. In 1967, the members of the Beach Boys incorporated BRI to hold and administer the intellectual property rights for The Beach Boys. Currently, BRI is equally owned by four shareholders, who are also its directors: Al Jar-dine, Mike Love, Brian Wilson, and the estate of Carl Wilson. BRI is the registered owner of "The Beach Boys" trademark.

Over the years, personal difficulties arose between some of the members, and some members of the band decided to not tour full time, or at all. In 1991, the members of the Beach Boys incorporated Brother Tours, Inc., which handled their touring and distributed their touring income. In 1993, the directors of BRI agreed to devote a certain percentage of the touring income to the corporation for use of the trademark and designated a larger percentage of the income to those members who actually toured. By 1998, Carl Wilson had died, Love and Jardine no longer wanted to tour together, [*3] and Brian Wilson did not want to tour at all. Love began negotiating with BRI the terms of a license to use "The Beach Boys" trademark in connection with his own band.

BRI's directors met on July 14, 1998, to discuss how the trademark should be used. The representative of Carl Wilson's estate suggested that BRI issue non-exclusive licenses to each shareholder on the same terms and conditions as the license that was being negotiated with Love, thus giving each member an equal right to tour. Three of the four board members, including Jardine, voted to grant each Beach Boy a non-exclusive license. On October 1, 1998, BRI executed a non-exclusive license agreement with Love (the "Love license"). The Love license contained clauses designed to protect the value of the trademark, requiring the licensee to preserve The Beach Boys style and to choose from a list of approved booking agencies and managers.

The parties dispute whether BRI and Jardine entered into a non-exclusive license agreement. After the July 1998 BRI board meeting, Jardine began touring with his own band, using a booking agent and manager that were not included in the list approved by the Love license. On October 25, 1998, Jardine's [*4] attorney sent BRI a

letter saying that Jardine would be performing as "Beach Boys Family and Friends," and that therefore, "a license from BRI [was] unnecessary." On October 28, 1998, BRI told Jardine that his unlicensed use of the trademark would be an infringement.

Jardine then proposed a license that included terms different from those included in the Love license. Jardine's proposal contemplated only a five-percent royalty to BRI on the first $ 1 million of gross receipts and a 17.5 percent royalty thereafter. BRI proposed a 17.5 percent royalty across the board. Love's license required a royalty of 20 percent of the first $ 1 million and 17.5 percent of receipts thereafter. Also, Jardine wanted to use a booking agent and manager that were not on the approved list. Jardine stated that, whether or not BRI accepted the proposal, he would continue performing as the "Beach Boys Family and Friends."

The BRI board scheduled another meeting for November 24, 1998 to discuss Jardine's proposal. Before the meeting, Jardine's attorney sent a letter to the board with a proposed license agreement signed by Jardine. At the meeting, the BRI board voted to reject Jardine's proposal. In the [*5] months following the meeting, Jardine both attempted to negotiate an agreement and claimed he had a license.

Jardine and his band continued to perform using names that included "The Beach Boys" trademark. The performances were promoted under names such as: Al Jardine of the Beach Boys and Family & Friends; The Beach Boys "Family and Friends"; Beach Boys Family & Friends; The Beach Boys, Family & Friends; Beach Boys and Family; as well as, simply, The Beach Boys. Jardine and his band performed in locations and on dates close to Love's "The Beach Boys" shows. With two bands

touring as The Beach Boys or as a similar-sounding combination, show organizers sometimes were confused about what exactly they were getting when they booked Jardine's band. A number of show organizers booked Jar-dine's band thinking they would get The Beach Boys along with special added guests, but subsequently canceled the booking when they discovered that Jardine's band was not what they thought it was. Numerous people who attended one of Jardine's shows said that they had been confused about who was performing. During this time period, BRI sent Jardine cease and desist letters objecting to Jardine's use of the [*6] trademark.

On April 9, 1999, BRI filed its complaint in the district court alleging that Jardine was infringing its trademark. Jardine answered, asserting the defenses of fair use, laches, estoppel, and unclean hands, and counterclaimed for breach of employment agreement, breach of license agreement, and for a declaratory judgment that Jardine could tour as the "Beach Boys Family and Friends." On March 28, 2000, the district court issued the preliminary injunction prohibiting Jardine from using "The Beach Boys," "The Beach Boys Family and Friends," and other similar combinations, but still allowing Jardine to refer to his past membership in the band "in a descriptive fashion."

On March 19, 2001, two weeks before the close of discovery, Jardine moved for leave to amend his pleading to add third-party claims against the shareholders and directors of BRI and an additional counterclaim against BRI for breach of fiduciary duty. The district court denied the motion. On June 4, 2001, BRI moved for summary judgment on its trademark infringement claim and Jardine's counterclaims. The district court granted summary judgment in favor of BRI

and issued a permanent injunction against Jardine's [*7] use of the trademark. This timely appeal followed.

STANDARD OF REVIEW

We review the district court's grant of summary judgment de novo. *See Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1139-40 (9th Cir. 2002). Viewing the evidence in the light most favorable to the non-moving party, we must determine whether there are any genuine issues of material fact that remain for trial and whether the district court correctly applied the relevant substantive law. *Id.* at 1140. "Because of the intensely factual nature of trademark disputes, summary judgment is generally disfavored in the trademark arena." *Id.* (quoting *Interstellar Starship Servs., Ltd. v. Epix, Inc.*, 184 F.3d 1107, 1109 (9th Cir. 1999)). "Therefore, a district court may grant summary judgment and we may uphold a grant of summary judgment only if no genuine issue exists regarding likelihood of confusion." *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002).

DISCUSSION

I. Trademark Infringement

Jardine contends that his use of BRI's trademark is protected by either the classic fair use doctrine or the nominative [*8] fair use doctrine. In *New Kids on the Block v. News Am. Publ'g Inc.*, 971 F.2d 302 (9th Cir. 1992), we noted that the classic fair use defense could not be applied in that case because "this is not the classic fair use case where the defendant has used the plaintiff's mark to describe the defendant's own product." *Id.* at 308. We then held that, "where the defendant uses a trademark to describe the plaintiff's

product, rather than its own . . . a commercial user is entitled to a nominative fair use defense." *Id.* In *Cairns v. Franklin Mint Co.*, 292 F.3d 1139, 1150-52 (9th Cir. 2002), we reiterated the distinction between the classic fair use and nominative fair use doctrines.

> The nominative fair use analysis is appropriate where a defendant has used the plaintiff's mark to describe the plaintiff's product, even if the defendant's ultimate goal is to describe his own product. Conversely, the classic fair use analysis is appropriate where a defendant has used the plaintiff's mark only to describe his own product, and not at all to describe the plaintiff's product.

Id. at 1152.

To illustrate this distinction, [*9] we cited a number of cases that applied the nominative fair use analysis. *See id.* For example, in *New Kids*, the defendant newspapers used the New Kids trademark to refer to the music band New Kids itself in order to describe the defendants' own telephone polls about the band. *New Kids*, 971 F.2d at 308. *See Cairns*, 292 F.3d at 1151-52. In *Volkswagenwerk AG v. Church*, 411 F.2d 350 (9th Cir. 1969), the defendant car repair shop used the plaintiff's trademarked name "Volkswagen" in a sign that said "Modern Volkswagen Porsche Service." *Id.* at 351. In *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968), a seller of imitation perfumes advertised its "2d Chance" perfume as indistinguishable from the trademarked "Chanel No. 5" perfume. *Id.* In *WCVB-TV v. Boston Athletic Ass'n*, 926 F.2d 42 (1st Cir. 1991), a television station referred to and made broadcasts of the trademarked "Boston Marathon." *Id.* at 44. In all these cases, the defendant used the plaintiff's trademark to

refer to the plaintiff's product, and therefore the nominative fair use analysis applied. [*10]

Following *New Kids*, we have applied the nominative fair use defense in a number of cases. In most of these cases, the nominative fair use defense, as opposed to the classic fair use defense, clearly applied because the defendant used the plaintiff's mark undeniably to refer to the plaintiff's product, even though the defendant's ultimate goal was to describe his own product. In *Abdul-Jabbar v. Gen. Motors Corp.*, 85 F.3d 407 (9th Cir. 1996), the defendant automobile manufacturer referred to plaintiff, a basketball star who had won an award three years in a row, in a commercial for a car that also had won an award three years in a row. *Id.* at 409. In *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir. 2001), the defendant clothing company used the trademarked names and photograph of plaintiffs, surfing champions, to market shirts copied from those worn by plaintiffs in the photograph. *Id.* at 1000, 1009. These were not cases in which the defendant used the plaintiff's mark only to describe the defendant's own product, and not at all to describe the plaintiff's product. *See Cairns*, 292 F.3d at 1151 [*11] (explaining when classic fair use analysis applies). Rather, these were cases in which the defendant used the plaintiff's mark to describe the plaintiff's product – Kareem Abdul-Jabbar himself and the surfing champions themselves – even though the ultimate goal was to describe the defendant's own product. *See id.* (explaining when nominative fair use analysis applies).

We also have applied the nominative fair use analysis where the plaintiff's trademark was also the defendant's title. In *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002), plaintiff Playboy sued the defendant, who was Playboy Playmate of the Year in 1981, for her

use of that trademarked title on her own website, which offered information about her and free photographs of her, advertised photographs for sale and membership in her photo club, and promoted her services as a spokesperson. *Id.* at 799. We explained in *Cairns* that the classic fair use analysis did not apply in *Playboy* because Welles had not used the Playboy mark "only to describe [her] own product, and not at all to describe the plaintiff's product." *Cairns*, 292 F.3d at 1152 & n.10. [*12] Although Welles arguably also used the mark to describe herself in the first instance – as she herself was indeed Playboy Playmate of the Year in 1981 – the fact that Welles used Playboy's mark to describe Playboy's product at all precluded the application of the classic fair use analysis. *See id.*

Here, Jardine argues that either the classic fair use *or* the nominative fair use defense applies. As in *Playboy*, whether the defendant's use of the mark refers to the plaintiff's product at all – and thus whether classic fair use analysis or nominative fair use analysis applies – is not clear. Jardine illustrates this point with his conflicting arguments (1) that his use of "The Beach Boys" mark describes the Beach Boys' product, thus requiring application of the nominative fair use analysis, and (2) that, in the alternative, his use of "The Beach Boys" mark describes only himself – a founding member of the Beach Boys – and not at all to describe the Beach Boys' product, thus requiring application of the classic fair use analysis. Where the defendant uses his or her own title, which happens also to be plaintiff's trademark, defendant can argue convincingly both that the [*13] use refers to defendant and that the use refers not at all to defendant. In these situations, the reference-to-trademark-holder distinction often proves more frustrating than helpful.

Rather than contorting ourselves into finding either that Jardine used "The Beach Boys" mark to describe the Beach Boys or that Jardine used "The Beach Boys" mark only to describe himself and not at all to describe the Beach Boys, we analyze each defense separately. We note first that the classic fair use defense, codified in the Lanham Act, 15 U.S.C. § 1115(b)(4), applies only to marks that possess both a primary meaning and a secondary meaning – and only when the mark is used in its primary descriptive sense rather than its secondary trademark sense. n1 *See Cairns*, 292 F.3d at 1150-51 ("Under the common law classic fair use defense . . . '[a] junior user is always entitled to use a descriptive term in good faith in its primary, descriptive sense other than as a trade-mark.' ") (quoting 2 J. Thomas McCarthy, *McCarthy on Trademark and Unfair Competition* § 11:45 (4th ed. 2001)); *accord Park ' N Fly*, 469 U.S. 189, 201, 83 L. Ed. 2d 582, 105 S. Ct. 658 ("The Lanham Act, . . [*14] . under certain circumstances, permits the nontrademark use of descriptive terms contained in an incontestable mark."); *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267, 269 & n.1 (2d Cir. 1995); *Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983); *Ideal Indus., Inc. v. Gardner Bender, Inc.*, 612 F.2d 1018, 1026 (7th Cir. 1980). Section 1115(b)(4) allows the defense to trademark infringement that

> the use of the name, term or device charged to be an infringement is a use, otherwise than as a mark . . . of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

15 U.S.C. § 1115(b)(4).

We have explained that "the primary cost of recognizing property rights in trademarks is the removal of words . . . from our language." *New Kids*, 971 F.3d at 306. We therefore recognized that the classic fair use defense "in essence, for-bids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods." *Id.* (citation and internal quotation marks omitted). "If the trademark holder were allowed exclusive rights in such use, the language would be depleted in much the same way as if generic words were protectable." *Id. See* Restatement (Third) of Unfair Competition § 28 cmt. a ("Trademark rights . . . extend only to the source significance that has been acquired by such terms, not to their original descriptive meanings.").

We consistently have applied the classic fair use analysis to infringement cases involving descriptive marks used in their primary, descriptive sense. In *Cairns*, we cited *In re Dual-Deck Video Cassette Recorder Antitrust Litig.*, 11 F.3d 1460 (9th Cir. 1993), as a good example of classic fair use. *Cairns*, 292 F.3d at 1151 n.9. [*16] In that case, the defendant sold receivers to which two videocassette recorders could be attached and labeled the relevant terminals on the backs of its machines "VCR-1" and "VCR-2." *Dual-Deck*, 11 F.3d at 1462. We concluded that defendant's use of plaintiff's trade-mark "VCR-2," a descriptive mark that identified plaintiff's two-deck videocassette recorder, was descriptive of defendant's own product. *Id.* at 1467. Because defendant used plaintiff's mark in its primary, descriptive sense and in good faith, defendant's use was not an infringement. *Id.*

Likewise, in *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135 (9th Cir. 2002), we recognized that trademark protection extends only to the secondary, trademark

meaning of a descriptive mark, and not to the primary descriptive meaning of the terms. *See id.* at 1143-44. In that case, we concluded that plaintiff's trademark "Entrepreneur" was a descriptive mark that directly identified plaintiff's printed publications. *Id.* We emphasized that, although the plaintiff trademark holder had "the exclusive right to use its *trademark* in printed publications pertaining [*17] to business opportunities," the plaintiff "cannot have the exclusive right to use the *word* 'entrepreneur' *in* any mark identifying a printed publication addressing subjects related to entrepreneurship." *Id.* at 1143 (emphasis in the original). n2

We similarly have allowed classic fair use of a suggestive mark, which carries both an unprotectable primary meaning and a protected secondary meaning. *See Brookfield Communications*, 174 F.3d at 1066; [*18] *accord Car-Freshner Corp.*, 70 F.3d at 269 & n.1 (explaining that the § 1115(b)(4) classic fair use defense can apply to a mark regardless of its classification as descriptive, suggestive, arbitrary, or fanciful, so long as the mark carried a descriptive primary meaning and a trade-marked secondary meaning). In *Brookfield Communications*, we concluded that defendant legitimately could use the term "Movie Buff" in its metatags to denote the term's primary descriptive meaning of "motion picture enthusiast." We emphasized, however, that defendant could not use the plaintiff's suggestive trademark "MovieBuff," which, in its secondary trademark sense, designated the software goods and database services of plaintiff. 174 F.3d at 1066 (noting that the difference of a single space is "pivotal").

Here, as in *Playboy* and *New Kids*, Jardine does not use the trademark in any primary, descriptive sense. That is, Jardine does not use "The Beach Boys" trademark to

denote its primary, descriptive meaning of "boys who frequent a stretch of sand beside the sea." n3 Instead, Jardine uses "The Beach Boys" trademark in its secondary, trademark sense, which denotes the music band [*19] – and its members – that popularized California surfing culture. This is true regardless of whether Jardine's use of the mark refers to Jardine himself or to the band. Because Jardine does not use the mark in its primary, descriptive sense, the classic fair use defense does not apply. n4

Where the defendant uses the trademark not in its primary, descriptive sense, but rather in its secondary, trademark sense, the nominative fair use analysis applies. *See New Kids*, 971 F.2d at 308. The nominative fair use defense acknowledges that "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark." *Id.* at 306. Still, the "core element" of trademark infringement law is "whether an alleged trademark infringer's use of a mark creates a likelihood that the consuming public will be confused as to who makes what product." *Thane Int'l*, 305 F.3d at 901 (internal quotation marks omitted). Therefore, the nominative fair use defense is available only if "the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one." *New Kids*, 971 F.2d at 307-308.

In *New Kids*, we articulated the three requirements of the nominative fair use defense:

First, the product or service in question must be one not readily identifiable without [*22] use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or

service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308. Just as it is virtually impossible to refer to the New Kids on the Block, the Chicago Bulls, Volkswagens, or the Boston Marathon without using the trademarked names, so too is it virtually impossible to refer to the Beach Boys without using the trademark, and Jardine therefore meets the first requirement. *See id.* & n.7. Also, BRI does not allege that Jardine uses any distinctive logo "or anything else that isn't needed" to identify the Beach Boys, and Jardine therefore satisfies the second requirement. *See* 971 F.2d at 308.

Jardine fails, however, to meet the third requirement. Jardine's promotional materials display "The Beach Boys" more prominently and boldly than "Family and Friends," suggesting sponsorship by the Beach Boys. *Cf. Kassbaum v. Steppenwolf Prods., Inc.*, 236 F.3d 487, 493 (9th Cir. 2000) (reasoning that promotional materials reduced likelihood [*23] of confusion by minimizing references to trademarked name "Steppenwolf"). Also, there is evidence that Jardine uses "The Beach Boys" trademark to suggest that his band is in fact sponsored by the Beach Boys, as Jardine's management testified that they recommended including the trademark "The Beach Boys" in the name of Jardine's band in order to create or enhance marquee value. Finally, Jardine's use of the trademark caused actual consumer confusion, as both event organizers that booked Jardine's band and people who attended Jardine's shows submitted declarations expressing confusion about who was performing.

Because Jardine's use of the trademark suggested sponsorship or endorsement by the trademark holder,

Jardine's nominative fair use argument fails. n5 "The plain language of Rule 56(c) mandates the entry of summary judgment . . . against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 91 L. Ed. 2d 265, 106 S. Ct. 2548 (1986). The district court did not err in concluding that Jardine's [*24] use of the Beach Boys' trademark was an infringement. No genuine issue of material fact exists regarding Jardine's suggestion of sponsorship or endorsement by BRI. We therefore affirm the district court's grant of summary judgment in favor of BRI on BRI's trademark infringement claim. *See Thane Int'l*, 305 F.3d at 901 ("We may uphold a grant of summary judgment if no genuine issue exists regarding likelihood of confusion.").

II. Laches

The district court rejected laches as an affirmative defense. We have applied laches to bar trademark infringement claims "only where the trademark holder knowingly allowed the infringing mark to be used without objection for a lengthy period of time." *Goto.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1209 (9th Cir. 2000) (concluding that objection after two weeks and filing suit after a few months precluded laches defense). Two days after Jardine notified BRI of his intent to tour as "Beach Boys Family and Friends," BRI sent Jardine a letter saying that "the unauthorized use by [Jardine] of the name 'Beach Boys Family and Friends' is a flagrant and serious trademark infringement, and any use of the name would require a license." BRI then filed its complaint in district court five months after receiving Jardine's notification. The district court therefore did not err in rejecting Jardine's

laches defense. *See Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 833-34 (9th Cir. 2002) (reviewing laches issue for clear error and abuse of discretion).

III. Estoppel

We review a district court's decision to [*26] deny equitable estoppel for an abuse of discretion. *Levi Strauss & Co. v. Shilon*, 121 F.3d 1309, 1313 (9th Cir. 1997). Jardine cannot show that he used "The Beach Boys" trademark without knowing that BRI objected to his use. Therefore, we conclude that the district court's rejection of Jardine's equitable estop-pel defense was not an abuse of discretion. *See Kierulff v. Metro. Stevedore Co.*, 315 F.2d 839, 842 (9th Cir. 1963) (requiring that party claiming estoppel "acted in ignorance of the matter asserted").

IV. Unclean Hands

Jardine contends that the district court erred in concluding that BRI did not act with unclean hands. To prevail on an unclean hands defense, "the defendant must demonstrate that the plaintiff's conduct is inequitable and that the conduct relates to the subject matter of its claims." *Levi Strauss & Co.*, 121 F.3d at 1313 (quoting *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 847 (9th Cir. 1987)). Jardine fails to point to any evidence, on which a jury reasonably could rely, that BRI acted in any fraudulent or deceitful manner. BRI attempted to negotiate a license with [*27] Jardine, but refused to accept Jardine's proposed license agreement because its royalty terms provided less to BRI than those contained in the Love license. The district court therefore did not abuse its discretion in rejecting Jardine's unclean hands defense. *See id.*

(reviewing decision to deny unclean hands defense for abuse of discretion).

V. Breach of Employment Contract

Jardine contends that the district court erred in concluding that no employment relationship existed between Jardine and BRI. Jardine, however, points to no evidence than an employment contract in fact existed between him and BRI when BRI purportedly breached the contract in 1998 and 1999. Under California law, however, we must examine the totality of the circumstances "to determine whether the parties' conduct, considered in the context of surrounding circumstances, gave rise to an implied-in-fact contract limiting the employer's termination rights." *Guz v. Bechtel Nat'l, Inc.*, 24 Cal. 4th 317, 8 P.3d 1089, 1101, 100 Cal. Rptr. 2d 352 (Cal. 2000). Brother Tours, Inc., is the entity through which Jardine, Love, and the other original members of the Beach Boys have conducted their touring and received [*28] distributions. If Jardine performed under any employment - agreement, the agreement was with Brother Tours, Inc., which is not a party to this action, and not with BRI. This undisputed fact negates the existence of an implied contract between BRI and Jardine. We therefore affirm the district court's grant of summary judgment in favor of BRI on Jardine's counterclaim for breach of employment contract.

VI. Breach of License Agreement

The district court concluded that Jardine raised a triable issue of fact as to whether Jardine had a non-exclusive license, which expired by its own terms on December 31, 1999, to use the Beach Boys trademark. The district court then reasoned, however, that even assuming a

license existed, because Jardine toured using the Beach Boys trademark in spite of BRI's objections, Jardine could not show any dam-ages from any purported breach. Jardine contends that, because he toured as "Beach Boys Family and Friends" and not as "The Beach Boys," he earned less income than he would have, had BRI performed under the license agreement and allowed him to tour as "The Beach Boys." Jardine further contends that his damages can be calculated by looking at the [*29] amount of touring income Love earned while touring with his own band as "The Beach Boys."

Whether Jardine's "The Beach Boys," touring simultaneously and in competition with Love's "The Beach Boys," would earn as much as a lone "Beach Boys" group is speculative. *See Kids' Universe v. In2Labs*, 116 Cal. Rptr. 2d 158, 171-72 (Ct. App. 2002) (reasoning that profits from unlaunched website were speculative because the website would be competing with similar retailers on the same portal). Jar-dine has not set forth specific facts showing damages with reasonable certainty. *See* 116 Cal. Rptr. 2d at 167-68 (requiring that damages for the loss of prospective profits from an unestablished business be shown by evidence of reasonable certainty). We there-fore affirm the district court's grant of summary judgment in favor of BRI on Jardine's counterclaim for breach of license agreement.

VII. Denial of Jardine's Motion to Amend Pleading

The district court denied Jardine's motion for leave to file an amended pleading adding a counterclaim against BRI and third-party claims against BRI's directors for breach of fiduciary duty. We review a district court's denial of a motion to amend [*30] a pleading for abuse of discretion. *Zivkovic v. S. Cal. Edison Co.*, 302 F.3d

1080, 1087 (9th Cir. 2002). Because granting Jardine's motion would have caused an undue delay in the proceedings, the district court did not abuse its discretion. *See id.* ("The district court may deny a motion for leave to amend if permitting an amendment would, among other things, cause an undue delay in the litigation or prejudice the opposing party."); *Solomon v. N. Am. Life & Cas. Ins. Co.*, 151 F.3d 1132, 1139 (9th Cir. 1998) (affirming the district court's denial of motion to amend pleadings filed on the eve of discovery deadline).

CONCLUSION

Because no genuine issue of material fact exists regarding the likelihood of confusion, we affirm the district court's grant of summary judgment in favor of BRI on the trademark infringement claim. We also affirm the district court's grant of summary judgment in favor of BRI on Jardine's counter-claims for breach of contract.

AFFIRMED.

----------Footnotes----------

n1 The law conceptually classifies trademarks along a spectrum of increasing distinctiveness: (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. *See Two Pesos, Inc. v. Taco Cabana*, 505 U.S. 763, 768, 120 L. Ed. 2d 615, 112 S. Ct. 2753 (1992); *Interstellar Starship Servs.*, 304 F.3d 936, 943 n.6; *Filipino Yellow Pages, Inc. v. Asian Journal Publ'ns, Inc.*, 198 F.3d 1143, 1147 (9th Cir. 1999). A descriptive mark "directly describes something about the goods or services in connection with which it was used as a mark." J. Thomas McCarthy, *McCarthy's Desk Encyclopedia of*

Intellectual Property, 119 (2d ed. 1995); *Brookfield Communications, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1058 n.19 (9th Cir. 1999). "Although descriptive terms generally do not enjoy trademark protection, a descriptive term can be protected provided that it has acquired 'secondary meaning' in the minds of consumers, i.e., it has become distinctive of the trademark applicant's goods in commerce." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1142 n.3 (9th Cir. 2002) (quoting *Park ' N Fly v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 194, 83 L. Ed. 2d 582, 105 S. Ct. 658 (1985)). *See* 15 U.S.C. § 1052(f) (permitting registration of marks that have become "distinctive of the applicant's goods in commerce"); 15 U.S.C. § 1053 (applying same requirement to registration of service marks). Similarly, a suggestive mark "conveys an impression of a good but requires the exercise of some imagination and perception to reach a conclusion as to the product's nature," and therefore carries both a primary descriptive meaning and a secondary trademark meaning. *Brookfield Communications*, 174 F.3d at 1058 n.19 (citing "Roach Motel" insect trap as an example); *Entrepreneur Media*, 279 F.3d at 1142.

n2 The Second Circuit illustrated the permissible use of trademarked terms in their primary, descriptive sense with the following example:

An auto manufacturer's use of the mark SWEET for its cars could not deprive anyone of the right to use that word in good faith in its ordinary descriptive sense and not as a trademark. Thus a candy manufacturer would remain free to advertise the sweetness of its candies without worry about the trademark owner's bridging the gap and going into the candy business.

Car-Freshner Corp., 70 F.3d at 269.

n3 Similarly, the defendant newspapers in *New Kids* did not use the trademark "New Kids on the Block" to denote its primary, descriptive meaning of "children who recently moved to this area bounded by streets on four sides." *See New Kids*, 971 F.2d at 308 (stating that defendant newspapers referred to the New Kids to identify them as the subject of telephone polls). Neither did the defendant in *Playboy* use the trademark "Playboy Playmate of the Year" to denote its primary, descriptive meaning, if indeed one exists, of "a companion in games and recreation to a man of means who is given to pleasure-seeking." *See Webster's New World College Dictionary* 1036 (3d ed. 1994); *Playboy*, 279 F.3d at 802 (explaining that defendant used the mark to identify herself as having been named Playboy Playmate of the Year in 1981). Had the defendants in those cases done so, then the classic fair use analysis would have applied. [*20]

n4 We note that the district court found, as an undisputed fact, that Jardine's use of the trademark "caused numerous instances of confusion both with the consuming general public and with the producers of musical events." On appeal, Jardine does not challenge the district court's conclusion that his use of the trademark caused confusion. The purpose of trade-mark infringement law is to "ensure that owners of trademarks can benefit from the goodwill associated with their marks and that consumers can distinguish among competing producers." *Thane Int'l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 901 (9th Cir. 2002). Consistent with that purpose, we have held that the classic fair use defense is not available if there is a likelihood of customer confusion as to the origin of the product." *Cairns*, 292 F.3d at 1151 (citing *Transgo, Inc. v. Ajac Transmission Parts, Corp.*, 911 F.2d 363, 365 n.2 (9th Cir. 1990), and *Lindy Pen Co. v. Bic Pen Corp.*,

725 F.2d 1240, 1248 (9th Cir. 1984)). Therefore, even if the classic fair use analysis applied in this case, the classic fair use defense would not be available because the likelihood of confusion – indeed, the existence of actual confusion – is undisputed. *See Thane Int'l*, 305 F.3d at 902 ("Evidence of actual confusion constitutes persuasive proof that future confusion is likely . . . . If enough people have been *actually* confused, then a *likelihood* that people are confused is established.") (citations and internal quotation marks omitted).

n5 In reaching this conclusion, we note that the third requirement of the nominative fair use defense – the lack of anything that suggests sponsor-ship or endorsement – is merely the other side of the likelihood-of-confusion coin. *See* 2 J. Thomas McCarthy, *Trademarks and Unfair Competition* § 11:47 (4th ed. 2001) (noting "some confusion in the case law as to whether 'fair use' is really a distinct and separate 'defense' and arguing that " 'fair use' should be viewed as merely one type of use which is not likely to cause confusion"). We have held that the nominative fair use analysis replaces the likelihood-of-confusion analysis set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). *Cairns*, 292 F.3d at 1150. Therefore, whereas plaintiff carries the burden of persuasion in a trademark infringement claim to show likelihood of confusion, *see Thane Int'l*, 305 F.3d at 900, the nominative fair use defense shifts to the defendant the burden of proving no likelihood of confusion.

CASE NO. 99-03829 HLH (AJWx)

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

BROTHER RECORDS, INC., a California Corporation,
Plaintiff,

v.

ALAN JARDINE, an individual, and DOES 1 through 10,
Defendants.

AND RELATED COUNTER-CLAIM.

FINAL JUDGMENT FOR PERMANENT INJUNCTION
AND FOR DISMISSAL OF COUNTERCLAIMS

On July 30, 2001, the Motion of Plaintiff and Defendant Brother Records, Inc. (hereinafter "BRI") for Partial Summary Judgment on its Trademark claim and for Permanent Injunction, and on Defendant and Counter-Claimant's Complaint for Declaratory Judgment and Affirmative Defenses, Jardine's Second Counter-Claim for Breach of Contract and for Breach of License Agreement, came on regularly for a hearing. BRI was represented by Michael J. Flynn, of Flynn, Sheridan & Stillman, and Edwin F. McPherson, of McPherson & Kalmansohn. Defendant and Counter-Claimant Al Jardine was represented by Jeffrey S. Benice.

Based, upon the evidence submitted, the pleadings, and the argument of counsel, on July 30, 2001, BRI's Motions for Partial Summary Judgment were granted. A true and correct copy of the Court's Order granting the Motions for Partial Summary Judgment is attached hereto as

Exhibit "A", and incorporated herein by this reference as though set forth in full.

Accordingly, pursuant to the July 30, 2001 Order:

IT IS HEREBY ORDERED that defendant Alan Jardine and his agents, -managers, publicists, servants, employees, subsidiaries, officers, directors, representatives, attorneys, successors, assigns, and those persons or entities in active concert or participation with any of them are hereby permanently enjoined and prohibited from:

1. Using the words "Beach Boy" or "Beach Boys," or any combinations thereof, with or without additional verbiage, as part of the name, secondary name, introduction to the name, or modifier to the name, of - Jardine's present and or future musical groups, including but not limited to such names as "Beach Boys Family & Friends; Beach Boy Al Jardine"; "Beach Boy Al Jardine and Family & Friends"; "Al Jardine, Beach Boy, and Family and Friends"; "Family & Friends, featuring Beach Boy Al Jardine"; "Al Jardine's Beach Boys Family & Friends"; "Beach Boy Al Jardine presents "Family & Friends'"; or "Family & Friends' with Beach Boy Al Jardine" in connection with the rendering of live, public performances and/or future recorded performances, or in connection with the sale of merchandise, without the written consent of Brother Records, Inc.

2. Otherwise using the words "Beach Boy" or "Beach Boys," or any combination thereof, with or without additional verbiage, in any public fashion that would suggest sponsorship, affiliation, and/or endorsement of Jardine in public performances by the current touring band called "The Beach Boys" or by Brother Records, Inc.

3. Assisting, aiding, or abetting any other person or business entity (other than Plaintiff) in engaging in or performing any of the activities referred to in Paragraphs 1 and 2 above. Jardine and the other enjoined entities are not prohibited from:

4. Publicly referencing Jardine's former longtime membership in "The Beach Boys" band in a descriptive fashion, so long as the reference does not suggest affiliation with the current "Beach Boys" touring band or Brother Records, Inc. and so long as the reference complies with Paragraphs 1 and 2, above.

IT IS FURTHER ORDERED that Final Judgment enter in favor of BRI on its claim for Trademark Infringement, and BRI is the prevailing party.

IT IS FURTHER ORDERED that Final Judgment of Dismissal enter in favor of BRI and any other BRI claims are dismissed, and against Alan Jardine on Jardine's Counterclaims. Those claims are dismissed, and BRI is the prevailing party.

IT IS FURTHER ORDERED that, as the prevailing party. BRI is entitled to its costs in the amount of
$_.

Dated: November 2, 2001

HARRY L. HUPP
United States District Judge

CASE NO. 99-03829 HLH (AJWx)

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

BROTHER RECORDS, INC., a California Corporation,
Plaintiff,

v.

ALAN JARDINE, an individual, and DOES 1 through 10,
Defendants.

CIVIL MINUTES – GENERAL

PROCEEDINGS: BRI'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON ITS TRADEMARK INFRINGEMENT CLAIM AND FOR PERMANENT INJUNCTION; AND ON JARDINE'S DECLARATORY JUDGMENT COUNTERCLAIM AND AFFIRMATIVE DEFENSES BRI'S MOTION FOR PARTIAL SUMMARY JUDGMENT OR MOTION TO DISMISS THE SECOND COUNTERCLAIM FOR BREACH OF AN ALLEGED EMPLOYMENT AGREEMENT BRI'S MOTION FOR PARTIAL SUMMARY JUDGMENT ON THE THIRD COUNTERCLAIM FOR BREACH OF AN ALLEGED LICENSE AGREEMENT

ORDER (also, if applicable, findings and memorandum opinion):

The motions of Brother Records, Inc. (thereafter BRI) are granted as follows: summary judgment is granted to determine that BRI is the owner of the trademark "Beach Boys and that defendant Jardine infringes that trademark if he uses it, or any variant of it, in the name or title of his band without license from BRI, that BRI is

entitled to a permanent injunction against such infringement with the caveat that Jardine may, without using the trademark in the name or title of his band, factually describe his history of a founding member of the Beach Boys; that the affirmative defenses of fair use, laches, unclean hands, and estoppel have no merit and are eliminated, and that the counterclaims for breach of employment contract, breach of licensing agreement, and for declaratory relief have no merit and are dismissed.

The basic background of the case is undisputed. The relevant undisputed facts are set forth below. Where there are factual disputes, they are noted in the following narrative. Unlike the usual fictional story, this one starts in triumph and. ends in a tragic mess--this lawsuit. The story starts in the '60's with five young musicians--four of them still teenagers- -who developed their own music genre. They consisted of the three Wilson brothers (Carl, Brian, and Dennis), their cousin Mike Love, and their friend, Al Jardine. They developed under the coaching of a producer, Hite Morgan and his wife, who published early recordings under the Morgan owned label, Deck Records (which still publishes some of those early recordings). They adopted a name which subsequently became famous in the music world- -the Beach Boys (hereafter BB).

The BB jumped to Capitol Records at an early stage and thereafter became one of the big successes in the music world. They projected the image of the California surfing style set to music, then (and maybe now) unique. Their recordings with Capitol sold millions. They toured to adoring audiences everywhere. Jardine left the group at an early stage to go to college, but returned and rejoined the group. Dennis Wilson died, and the other four carried on. They formed a corporation (plaintiff

Brother Records, Inc., hereafter BRI) with four equal shareholders–Carl and Brian Wilson, Mike Love, and Al Jardine, to which they transferred the trademark. "Beach Boys", which is duly registered and is now incontestable. Touring income was the biggest source of revenue of the corporation. (The facts before the court do not reveal how recording royalties were handled.). The BB toured regularly with the four principals from the 60's until the early 90's, when certain problems developed. Carl Wilson became ill and did not tour all the time. Personality difficulties occurred between Jardine and the other members of the group from time to time, and Jardine temporarily did not tour full time with the others. Brian Wilson also developed an illness and did not want to tour full time, and later, at all. In the directors of Brother Records met to solve the problem of division of touring income when all of the members were not participating, and agreed on a formula, expressed to be good for that year, of devoting a certain percentage of the touring income to the corporation for the use of the trademark, the "Beach Boys", and a larger share of the income to those who actually performed on tours. While the '93 agreement was stated, when adopted, to be temporary for that year, there is no evidence that it was later changed or revised as time went on. The next major event in the life of the group occurred in 1998. Carl Wilson died. Brian Wilson did not want to tour any more. Mike Love declared that he would not tour With Al Jardine. The directors of BRI (then Brian Wilson or his conservator), Love, Jardine, and the executor of Carl Wilson's estate), and their attorneys met to determine how the still valuable trademark was to be used. After much discussion and some conflict, the directors authorized the corporation to issue three non-exclusive licenses, one each to Brian Wilson, Love, and Jardine, allowing each of them to separately tour under the BB name. The licenses were to

be in the same terms for each of the three, and were to have clauses designed to protect the value of the trademark (i.e., to preserve the BB style, to require minimum charges for performances, to use specified agents approved by the corporation With approval of others to be unreasonably withheld, etc.). Jardine voted this resolution. A licensing contract was entered into with Love for a period to end Dec. 31, 1999. (The license contract actually says 'that it ended Dec. 13, 1999, but there was substantial evidence that the date was a typographical error and that the intended ending date was Dec. 31, 1999). Brian Wilson decided not to tour and did not enter into a licensing contract. Jardine proposed certain changes for his contract from the terms of the Love contract, which BRI rejected. BRI told Jardine that he would have to sign contract with the same terms as Love's contract or not be licensed to use the BB name. Jardine then signed a contract with the same terms as the Love contract and returned it to BRI for signature. BRI did not sign the Jardine contract, asking for assurances that he would meet the conditional terms of the contract. Jardine started touring, using as the mane of his band "Beach Boys Family & Friends (hereafter BBF&F), and with a band consisting of himself, two of the daughters of Brian Wilson, two of his sons, and with other band members who had from time to time toured with the BB. BRI took the position that Jardine had no license to use the name BB in any form, sued in this lawsuit, and requested a preliminary injunction against Jardine touring under the name BB, whether using that name in its original or any other form.

The court heard the motion for preliminary injunction, and decided it in its minute order of April 26, 1999. The preliminary injunction was denied. This court held that the name BBF&F would likely be held on trial to be an infringement, of the BRI trademark for BB and that the

use by Jardine of BBF&F would be enjoined in the absence of a license from BRI. However, it was also held that on trial, there was substantial evidence supporting the possibility that it would be held that the corporation's authorization to issue identical non-exclusive licenses for the use of the trademark BB was an offer made certain by the execution of the Love contract, and that Jardine had accepted the offer by returning a signed, identically termed contract to BRI. Therefore, the motion for preliminary injunction was denied because of this possible determination when the case was tried. However, the denial of the preliminary injunction assumed that Jardine would comply with terms of the contract and the denial was without prejudice to renew the motion for preliminary injunction if there was a breach by Jardine of the terms of the potentially to be found licensing contract. BRI subsequently and still contends that Jardine was in breach of the hypothetical licensing agreement, but did not renew its motion for preliminary injunction until the end of 1999. That motion was continued to Jan. 3, 2000, so as to be heard after the expiration of the Love and hypothetical Jardine contracts. By this time, Jardine proposed to tour with the same band under the name "Beach Boy Al Jardine and Family and Friends" (BBAJ&F&F). Jardine made an argument that the proposed new name was justified under the doctrine nominative fair use on the theory that it merely described the history of Mr. Jardine in a fair way and thus did not infringe the trademark BB. In the meantime, the directors of BRI caused the corporation to enter into an exclusive licensing agreement with Love starting Jan. 1, 2000, granting him the exclusive right to tour using the trademark BB, requiring the payment of touring royalties, and making other provisions. The court granted to BRI a preliminary injunction enjoining Jardine from using the words "Beach Boys" or "Beach

Boy" in any form in the title of his band. The preliminary injunction contained a provision that allowed Jardine to use narrative to describe his history as an original BB, but held that the use of the trademarked term in the title of the band was likely to be held on trial to be confusing to the general public and to producers of musical events. There the matter has stood until the present time. The court has several times urged the parties to find a way to settle this case in a commercially reasonable way, but settlement discussions have not been successful. The court has been informed by sources outside the record (end informed counsel of its extra-judicial knowledge) that Jardine has toured with his band in at least one event under the name "Beach Bandits", but has not considered this information, even if relevant which is doubtful, in any manner.

The first motion deal with is the motion of BRI for summary judgment on its trademark infringement claim. That motion is granted in part. It is held to be without dispute in the evidence that BRI holds a valid registered incontestable trademark in the name Beach Boys. Further it is held that the use by defendant Jardine of the name Beach Boys, or any confusingly similar derivative thereof (i.e. Beach Boy) in the title of his musical group is an infringement of that trademark unless such use is supported by a license from BRI. This holding is subject to an exception- -Jardine may accurately describe his history as a founding member of the Beach Boys in narrative in his publicity providing that such use is not used in the title of his band or in a manner which is confusing to the public or musical producers in a way which suggests that it is to be confused with sponsorship by BRI or the original Beach Boys. This determination is made because it is undisputed that the four owners of the original trademark Beach Boys transferred their rights to the

trademark to BRI, who still owns it. Further, that the trademark has achieved secondary meaning end is, in fact, famous. Jardine does not really attempt to counter these arguments (except impliedly in his fair use defense, discussed below). He argues that the name he has actually used or proposes to use with some variants of "Beach Boys" or "Beach Boy" in the title of his band are sufficient to prevent confusion of the public. The court rejected this argument for purposes of the preliminary injunction motion now rejects it for this case. There is undisputed evidence that both BBF&F and BBAJ&F&F has caused numerous instances of confusion both with the consuming general public and with the producers of musical events, some whom have even advertised the Jardine show as the "Beach Boys" (whether through ignorance and confusion or cupidity is not always clear) and that Jardine's agents have not always been successful in preventing this.

The above holding is made at this time only starting with the use of the trademark on Jan. 1, 2000, and thereafter. There is an issue of fact as to whether Jardine starting in 1998 and continuing through Dec. 31, 1999, had a contractual license to use the trademark BB during that period. This will depend on a finding at trial as whether there was or was not a contract between Jardine and BRI for Jardine to use the trademark pursuant to the possible non-exclusive license, and further, whether Jardine violated the terms of such a license, if it existed followed by valid termination of it by BRI during 1999. This matter is subject to triable issues of fact and is not determined on this motion for summary judgment. What is determined is that there was infringement if there was no license, and, further, that there is, in any event, no license and therefore no right to use BB or a variant of same starting Jan 1, 2000.

BRI entitled to a permanent injunction in substantially the same terms as the preliminary injunction issued after the hearing of Jan. 3, 2000, the precise terms of which are not determined on this motion for summary judgment. The precise terms of the permanent injunction will be the subject of a later hearing in the case.

In connection with this issue, there must be considered the defense of "fair use", also the subject of a motion for summary judgment by BRI. It is determined on this motion that use of the trademark in the name or title of Jardine's band, or in a similarly confusing way, is not justified by the doctrine of "fair use", and that defense is eliminated on this motion for summary judgment. Jardine argues that the recent Steppenwolf case v. Kassbaum Steppenwolf Productions 9Cir'00 236 F.3d 497) provides authority for Jardine to use the trademark under the "fair use" doctrine. The argument is essentially that stating Jardine's role as a founding member of the BB is a factually correct statement and a fair use of the trademark. Playboy Enterprises SDCA '98 7 FSupp. 1098 is cited for a similar proposition. The court thinks that defendant Jardine has fundamentally misread these cases. Steppenwolf confirms what the court did in its preliminary injunction of Jan. 3, 2000. It held that a band member who was a former member of the Steppenwolf group could describe his former association with the group in narrative advertising of his new group, which did not use the Steppenwolf name. This is what this court said in its preliminary injunction resulting from the 1/3/00 hearing. Steppenwolf emphatically did not say that the plaintiff could use the name of the former band in the title of his band under the fair use doctrine. Playboy is also distinguishable on this ground, assuming that it is correct. The point from Steppenwolf is the same point that this court accepted earlier, and adheres to in this summary judgment motion - - that Mr. Jardine

may describe his distinguished career with BB in his advertising, providing that it does not confuse the public, but may not use the BB trademark in the name or title of his band simply because it does confuse the public. Nor is "nominative fair use" applicable. Jardine has argued, based on New Kids on the Block, 9Cir'92 971 F.2d 302, that the use of the BB name was merely descriptive, and thus a fair use. But this case is entirely different. New Kids was about an article reviewing the group which, of course, referred to the group by name. Since this was the only way to refer to the group, it was held to be fair use. That case has no relevance to the situation here. Any use by Jardine of the trademark in the name group has the effect of confusing the source of the product, which is not true under the "nominative fair use" doctrine. Summary judgment is granted to eliminate the "fair use" affirmative defense.

From what is said above, it is apparent that certain of the affirmative defenses must be eliminated from the case. BRI has moved to eliminate the declaratory relief Counterclaim filed by Jardine, which seeks to have declared that Jardine may use BBF&F without infringing the trademark held by BRI. Subsequent developments in the case would indicate that the counterclaim likewise seeks declaratory relief that the use of BBAJ&F&F is a legitimate use. Summary judgment granted to eliminate this counterclaim from the case, or, alternatively, to declare the converse, as provided above.

BRI moves for summary judgment eliminating laches as an affirmative defense in the case. Laches is an equitable defense involving a showing of both delay and prejudice from the delay. Since it is an affirmative defense Jardine has the burden of showing facts which would support such a defense at trial and has wholly failed to do so. No facts are shown of either unreasonable delay or any

prejudice resulting to Jardine from any delay in bringing this lawsuit. Laches is eliminated as an affirmative defense.

BRI moves to eliminate estoppel as an affirmative defense. Again, Jardine has the burden on a motion for summary judgment to show facts which make the defense a triable issue, and has not done so. Estoppel involves representation or conduct which misleads a party into taking action later objected to. Jardine has shown no such facts. It is clear that BRI at all times took the position that the use of the trademark was controlled by it and that none of the original Beach Boys could unilaterally use it without a license from BRI. It 'informed Jardine at all times that it objected to the use of BBF&F, or any other derivative.' There are no facts which support an estoppel and it is eliminated as an affirmative defense on these motions.

BRI moves to eliminate "unclean hands as an affirmative defense. Jardine's affirmative defense is based on the theory that BRI cooperated with Love in granting Love a non-exclusive license to use the trademark in a way which excluded Jardine from participating with Love in touring as the Beach Boys. This defense is not supported by the facts. Love is not a and he is the one who refused to tour with Jardine. The corporation solved the dilemma presented by voting, with Jardine assenting, to grant non-exclusive licenses to each of the three surviving Beach Boys. BRI may be considered to have acted with an even hand among its conflicting shareholders by There were subsequent disagreements between BRI and Jardine over the terms of the non-exclusive license, and whether those terms had been adhered to, but none of these disagreements arise to the level of "unclean hands." Curiously, the grant of an exclusive license to Love starting 1/1/00 is not cited as

an example of "unclean hands", even in the amended counterclaim filed 5/4/01, so this incident is not considered by the court as an example advanced under the rubric "unclean hands", and the court need not consider whether the events of 1999 would justify applying that title to the exclusive license. Jardine has not advanced any pleaded theory supported by evidence that BRI was guilty of "unclean hands". This issue is eliminated from the case on this motion for summary judgment.

BRI moves for summary judgment on the second counterclaim for breach of employment contract. In the second counterclaim Jardine propounds a theory that over the years, and partly by resolutions taken by the board of BRI, an employment contract terminable only for good cause between BRI and Jardine grew up, and that his exclusion from the group was without good cause and a violation of the employment contract. This counterclaim is eliminated from the case on this summary judgment motion for the reason that the undisputed facts show that there was no employment relationship between Jardine (or any Beach Boy) and BRI. Even if there was such an agreement, there is no evidence that BRI terminated it; the split up of the Beach Boys was caused by the individual decisions of Brian Wilson not to tour at all and the refusal, of Mike Love to tour with Al Jardine, neither of which was accomplished by BRI. The plain and simple facts are that the function of BRI was to hold and administer the trademark Beach Boys for the owners of BRI. the four individual Beach Boys and BRI did not employ the Beach Boys at all. The Beach Boys made their own recording and touring arrangements (partly with the use of another corporation and partly through agents and managers). When internal problems among BRI's owners arose in the early 90's. the corporation through

its board (the owners), decided how to split the touring revenue, but this in no way gave rise to an employment relationship between BRI and its individual shareholders. If Jardine had an employment relationship with anyone, it was his fellow individual Beach Boys (more likely some sort of a partnership), or possibly with a connected corporation, Brother Tours, Inc. (BTI), but certainly not with the entity formed merely to hold and administer the trademark. It does seem to be true that the individual owners of BRI regulated some of their agreements with one another by taking action in board meetings of BRI; an example would be the 1993 agreement on distribution of touring receipts when not all of the owners toured. This did not convert the relationship of BRI to its shareholders to an employment agreement, and no interpretation of the evidence would support such a conclusion. It is therefore not necessary to discuss other BRI contentions (any employment agreement was at-will. BRI is protected by the business judgment rule, that BRI is an indispensable party, vague or uncertain contract, expiration of limitations period, etc). Summary judgment is granted eliminating the second counterclaim. BRI has in the alternative, moved to dismiss the second counterclaim. This is treated as a motion for judgment on the pleadings. It is placed off calendar as moot in view of the granting of summary judgment on the second counterclaim.

The last item is the motion for summary judgment by BRI on the third counterclaim. The third counterclaim alleges that Jardine had a non-exclusive license to use the trademark. This obviously refers to the possible contract which led the court to deny the original motion for preliminary injunction in April, 1999. However, this contract, if it existed between BRI and Jardine, expired by its own terms on Dec. 31, 1999. The BRI motion for

summary judgment as to the third counterclaim would be denied as to the existence of the contract by reason of the triable issue of fact as to this issue described above. BRI has argued that Jardine's request for variations for him in the terms of. the agreement signed by Love was a repudiation of the BRI offer of a non-exclusive license; the court has rejected this argument as raising only a factual issue, particularly since BRI may have renewed its offer to Jardine who then accepted it. However, BRI also attacks the third counterclaim on *the* ground that Jardine has shown no damages. During the entire year 1999, Jardine toured, usually under the name BBF&F, but occasionally under BBAJ&F&F or a variant thereof. While BRI contended at all times that Jardine was infringing the trademark, or, if there was a non-exclusive contract, that Jardine had violated it, it never succeeded in preventing Jardine from touring under some version of the BB name. Assuming the validity of the third claim (i.e., that there was a valid non-exclusive license), Jardine shows no damages from BRI's position to the contrary. Since Jardine has the burden on showing evidence of all elements of his claim, which include damages, summary judgment must be granted on the ground of lack of showing of damages on the third counterclaim. That claim is eliminated by this summary judgment.

This means that there is not much left of this lawsuit. Pretrial conference has been continued to accommodate the continuance at the instance of the hearing on these summary judgment motions. - Counsel are to confer and see if there are any triable left beyond determining the terms of a permanent injunction. If not, then the pretrial conference may be converted into a status conference. If so, a joint pretrial conference order is to be prepared listing, among other items, the issues remaining for trial.

This minute order is the court's order and findings on the motions for summary judgment. No more formal order is necessary.

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18, and not a party to the within action. My address is 1801 Century Park East, 24th Floor, Los Angeles, California 90067.

On September 26, 2001, I served the foregoing document described as:

[PROPOSED] FINAL JUDGMENT

on the interested parties in this action by placing a true and correct copy thereof enclosed in sealed envelopes addressed as follows:

See Attached List

BY MAIL

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on the same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that, on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing.

BY PERSONAL SERVICE

I delivered such envelope by hand to the offices of the addressee(s).

BY FACSIMILE

I faxed such document to the offices of the addressee(s).

Executed on September 26, 2001,, at Los Angeles, California.

(State) I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

X (Federal) I declare that I am employed in the office of a member of the Bar of this Court, at whose direction the service was made.

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No. 01-57095

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BROTHER RECORDS, INC., a California Corporation,
Plaintiff-counter-defendant-Appellee,

v.

ALAN JARDINE, an individual,
Defendant-counter-claimant-Appellant.

Date: 3/20/03

ORDER

The petition for panel rehearing is denied.

(b) Incontestability; defenses

To the extent that the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 1065 of this title, or in the renewal application filed under the provisions of section 1059 of this title if the goods or services specified in the renewal are fewer in number, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 1114 of this title, and shall be subject to the following defenses or defects:

* * * *

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin; or

FILED
JUL 21 2003
OFFICE OF THE CLERK

No. 02-1833

IN THE

Supreme Court of the United States

ALAN JARDINE, an individual,

Petitioner,

v.

BROTHER RECORDS, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

Petitioner Alan Jardine's framing of the "question presented" by his Petition for Writ of Certiorari is both inaccurate and argumentative, since it presupposes that Jardine "properly asserted classic fair use and nominative fair use affirmative defenses." The Ninth Circuit Court of Appeals ruled that Jardine *failed* to establish a genuine issue of material fact on his fair use defense and therefore affirmed summary judgment in favor of respondent Brother Records, Inc., the owner of the trademark, *The Beach Boys*. Thus, more accurately phrased, the narrow question presented is rather:

> "Did the Ninth Circuit Court of Appeals err in affirming the district court's grant of summary judgment on petitioner Jardine's fair use affirmative defense."

STATEMENT PURSUANT TO RULE 29.6

Respondent, Brother Records, Inc., has no parent corporation and no publicly held company owns 10% or more of its stock.

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Sup. Ct. R. 10(a) 1

INTRODUCTION AND SUMMARY OF OPPOSITION TO THE PETITION FOR WRIT OF CERTIORARI

In his Petition, Jardine challenges the Ninth Circuit's application of correctly stated trademark law on fair use to the undisputed facts found by the district court to affirm summary judgment on Jardine's fair use defense. As shown in the Ninth Circuit's opinion, *Brother Records, Inc. v. Jardine*, 318 F.3d 900 (9th Cir. 2003) ("*BRI*"), Jardine did not contest any factual findings, nor did he contend that any genuine issue of fact precluded affirmance. That alone mandates that this Court deny the petition for a simple reason: the Ninth Circuit (and the district court) found on the undisputed facts in the extensive factual record – and unchallenged by Jardine – that BRI had established *actual* confusion caused by Jardine's use of "Beach Boy" in the various iterations of his musical group. *BRI*, 318 F.3d at 907 n.4. Actual confusion precludes a "fair use" defense, whether nominative or "classic." *Id.*

Thus, Jardine has failed to point to any reason (compelling or otherwise) that would justify granting certiorari, except, apparently, that this case involves *The Beach Boys*. For example, he does not contend that there is a conflict among the circuits that this Court should settle, or that the Ninth Circuit "has so far departed from the accepted and usual course of judicial proceedings, or has sanctioned such a departure by a lower court, as to call for an exercise of this Court's supervisory power." *See* Supreme Court Rule 10(a). As the very rules of this Court admonish petitioners, "a petition for a writ of certiorari is rarely granted when the asserted error consists of . . . the misapplication of a properly stated rule of law." Rule 10. Accordingly, the petition should be denied.

STATEMENT OF THE CASE

Because Jardine's statement of the case is either inaccurate or simply ignores the factual findings made by the district court and the Ninth Circuit, BRI suggests that this Court examine the District Court's extensive opinion (attached to Jardine's Petition for Writ of Certiorari at 23a-32a), seconded by the Ninth Circuit (2a-5a), as to the facts found to be undisputed in this case. Instead of repeating the facts from those opinions, BRI will limit itself to pointing out the misstatements in Jardine's Petition.

First, nowhere in the record is there support for Jardine's statement that he toured as "Beach Boy Al Jardine and *his* Family & Friends." Instead, as the District Court found, it was undisputed by Jardine that both "Beach Boys Family & Friends," "Beach Boy Al Jardine and Family & Friends" and various potential derivations, caused actual confusion in the market. (Petition, 32a). Not only did the district court find that there was undisputed evidence of actual confusion with the consuming public, but the district court also found it undisputed that the names caused actual confusion among the more sophisticated producers of musical events. *Id.*

As the Ninth Circuit elaborated on this same point from its *de novo* review of the record before the district court,

> Jardine and his band performed in locations and on dates close to Love's "The Beach Boys" shows. With two bands touring as The Beach Boys or as a similar-sounding combination, show organizers sometimes were confused about what exactly they were getting when they booked Jardine's band. A number of show organizers booked Jardine's

> band thinking they would get The Beach Boys along with special added guests, but subsequently canceled the booking when they discovered that Jardine's band was not what they thought it was. Numerous people who attended one of Jardine's shows said that they had been confused about who was performing.

BRI, 318 F.3d at 902-903 (Petition, 4a-5a).

Although seemingly not germane to the petition, Jardine also again claims that BRI's decision to grant fellow Beach Boy Mike Love a non-exclusive license to tour as *The Beach Boys* as a breach of Jardine's "contractual right under Jardine's *The Beach Boys* Employment Agreement" to perform as *The Beach Boys*. (Petition, p. 4). Both the Ninth Circuit and the district court ruled as a matter of law that there was no such employment agreement. Jardine also contends that he voted against approving BRI's license to Mr. Love, when the district court and the Ninth Circuit found that "Jardine voted for this resolution." (Petition, p. 3a, 29a).

Finally, Jardine contends that BRI "immediately interfered with Jardine's efforts to tour as *The Beach Boys* pursuant to the non-exclusive license." (Petition, p. 5). Both the District Court and the Ninth Circuit found on undisputed facts that Jardine *rejected* the terms of the non-exclusive license and toured as "Beach Boys Family & Friends" notwithstanding his rejection of the license. (Petition, p. 4a, 29a). Moreover, the courts below found as undisputed facts that Jardine continued to tour despite repeated "cease and desist" letters from BRI concerning his actual and proposed band names and therefore suffered no damages.

REASONS FOR DENYING THE PETITION

A. Likelihood of Confusion Precludes Any "Fair Use" Defense.

Under § 32 of the Lanham Act, the owner of a trademark is protected from unauthorized uses that are "likely to cause confusion, or to cause mistake, or to deceive." *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, 483 U.S. 522, 531, 107 S. Ct. 2971, 97 L. Ed. 2d 427 (1987), citing 15 U.S.C. § 1114(1)(a). Undisputed evidence of actual confusion precludes *any* fair use defense, whether so-called "classic" or "nominative." As the Ninth Circuit recently held and which is undisputed by Jardine in his Petition as a correct statement of the law,

> "Still, the 'core element' of trademark infringement law is 'whether an alleged trademark infringer's use of a mark creates a likelihood that the consuming public will be confused as to who makes the product.' " [citation omitted] Accordingly, this court has held that "the nominative fair use defense is available only if 'the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.' " [citation omitted].

Horphag Research, Ltd. v. Pellegrini, 328 F.3d 1108, 1112 (9th Cir. 2003) (nominative fair use defense unavailable if use causes actual confusion). Concerning "classic" fair use, the Ninth Circuit correctly stated that "the classic fair use defense is not available if there is a likelihood of customer confusion as to the origin of the product." *BRI*, 318 F.3d at

907 n.4. Thus, the Ninth Circuit's statement in footnote 4 is dispositive of this Petition and the case:

> We note that the district court found, as an undisputed fact, that Jardine's use of the trademark "caused numerous instances of confusion both with the consuming general public and with the producers of musical events." On appeal, Jardine does not challenge the district court's conclusion that his use of the trademark caused confusion.

Id.

The core of the Petition is that "Beach Boy Al Jardine and Family & Friends" is a "fair use" of *BRI's* trademark and therefore not trademark infringement. Conspicuously absent from Jardine's legal argument is any discussion of the Ninth Circuit's finding of actual confusion stemming from Jardine's unauthorized use of BRI's trademark, whether the name is "Al Jardine of the Beach Boys and Family & Friends; The Beach Boys "Family and Friends"; Beach Boys Family & Friends; The Beach Boys, Family & Friends; Beach Boys and Family;" etc., *i.e.*, the various iterations Jardine used.[1] That undisputed finding precludes a fair use defense and Jardine's Petition must be denied.

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1. The sum total of Jardine's discussion on that point is merely that "Jardine's fair use defense nullifies BRI's confusion argument." Petition, p. 10. Far from being an "argument," as set forth above, the Ninth Circuit found that actual confusion was undisputed. Tangentially, Jardine also contends that a fair use defense obviates an examination of the "likelihood of confusion" test under the Lanham Act, *id.*, a claim simply contrary to law.

B. The District Court's Permanent Injunction Is Subject To An "Abuse Of Discretion" Standard Of Review Which Again Supports Denial of Certiorari.

Rendered to its essentials, Jardine seeks to challenge the scope of the district court's permanent injunction, contending that "Beach Boy Al Jardine" should not be included in the injunction. However, the district court's grant of permanent injunctive relief is reviewed for an abuse of discretion or application of erroneous legal principles. *Image Tech. Servs. v. Eastman Kodak Co.*, 125 F.3d 1195, 1224 (9th Cir. 1997) *citing Dexter v. Kirschner*, 984 F.2d 979, 982 (9th Cir. 1992). This Court has repeatedly recognized that "the framing of decrees should take place in the District rather than in Appellate Courts" and has generally followed the principle that district courts "are invested with large discretion to model their judgments to fit the exigencies of the particular case." *United States v. Glaxo Group Ltd.*, 410 U.S. 52, 64, 35 L. Ed. 2d 104, 93 S. Ct. 861 (1973). Given the factual findings by the district court that the very uses proposed (and actually used by Jardine have caused actual confusion among consumers and even more sophisticated music producers, it cannot be said that the district court abused its discretion in fashioning a permanent injunction).

CONCLUSION

For the foregoing reasons set forth herein, Jardine's petition for writ of certiorari should be denied.

Respectfully submitted,

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